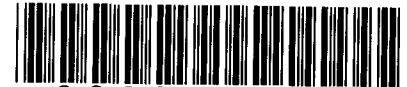


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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF:

JERE PARKHURST and MICHELLE
PARKHURST, husband and wife, doing
business as C-Street Financial Group and
C-Street Development, L.L.C.;

C-STREET HOLDINGS, L.L.C., a dissolved
Arizona liability company,

PHOENIX FINANCIAL HOLDINGS, L.L.C.,
a terminated Arizona limited liability company

Respondents.

DOCKET NO. S-20761A-10-0409

PROCEDURAL ORDER
(Schedules a Pre-Hearing Conference
And a Hearing)

BY THE COMMISSION:

On October 1, 2010, the Securities Division ("Division") of the Arizona Corporation ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Jere Parkhurst and Michelle Parkhurst, husband and wife, Jere Parkhurst dba C-Street Financial Group ("CFG") and C-Street Development, L.L.C. ("CSD"), C-Street Holdings, L.L.C. ("CSH") and Phoenix Financial Holdings, L.L.C. ("PFH") (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of notes.

The Respondents were duly served with a copy of the Notice.

On October 15, 2010, a letter was filed by Respondent Jere Parkhurst requesting a hearing for himself, CFG, CSD, CSH, and PFH, and indicating that he was attempting to obtain counsel. Michelle Parkhurst was not mentioned and had not signed the letter.

On October 20, 2010, by Procedural Order, a pre-hearing conference was scheduled to review the status of the proceeding on December 2, 2010. Respondents were advised they could retain

1 counsel or they could represent themselves pursuant to the Commission's Rules of Practice and
2 Procedure A.A.C. R14-3-101 *et seq.* and the Rules of the Arizona Supreme Court.

3 On November 29, 2010, Mr. Parkhurst filed a motion to continue the pre-hearing conference
4 until a later date in January, 2011. Mr. Parkhurst indicated he was still in the process of retaining
5 counsel.

6 On November 30, 2010, the Division filed a response to Mr. Parkhurst's motion and stated
7 that almost seven weeks had passed and a further delay of the proceeding was unreasonable and
8 should not be granted.

9 On November 30, 2010, by Procedural Order, Mr. Parkhurst's motion to continue the
10 proceeding was denied.

11 On December 2, 2010, the pre-hearing conference was held as previously ordered. The
12 Division appeared with counsel. There were no appearances by the Respondents or anyone on their
13 behalf. Counsel for the Division requested that a hearing be scheduled with enough time allowed to
14 ensure Respondent, Michelle Parkhurst, could be properly served since the Division had been unable
15 to serve her.

16 On December 3, 2010, Respondent, Michelle Parkhurst, filed a letter requesting a hearing
17 apparently after she was apprised of the proceeding.

18 Under the circumstances, another pre-hearing conference should be scheduled to allow Mrs.
19 Parkhurst to enter an appearance in the proceeding and a hearing scheduled as requested by the
20 Division.

21 IT IS THEREFORE ORDERED that A **pre-hearing conference** shall be held on **January 6,**
22 **2011, at 10:30 a.m.,** or as soon thereafter as is practicable at the Commission's offices, 1200 West
23 Washington Street, Room 100, Phoenix, Arizona, as previously ordered.

24 IT IS FURTHER ORDERED a **hearing** shall be held on **April 13, 2011, at 10:00 a.m.,** at the
25 Commission's offices, 1200 West Washington Street, Hearing Room 1, Phoenix, Arizona.

26 IT IS FURTHER ORDERED that the parties shall set aside **April 14, 2011,** for an **additional**
27 **day of hearing,** if necessary.

28 IT IS FURTHER ORDERED that that the **Division and Respondents shall exchange copies**

1 of their Witness Lists and copies of the Exhibits by March 1, 2011, with courtesy copies provided
2 to the presiding Administrative Law Judge.

3 IT IS FURTHER ORDERED that if the case is resolved by proposed Consent Order prior
4 to the hearing, the Division shall file a Motion to Vacate the Proceeding.


5 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
6 Communications) is in effect and shall remain in effect until the Commission's Decision in this
7 matter is final and non-appealable.

8 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
9 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
10 *pro hac vice*.

11 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
12 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
13 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
14 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
15 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
16 Administrative Law Judge or the Commission.

17 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,
18 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
19 ruling at hearing.

20 DATED this 7th day of December, 2010.

21
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23
24 
25 MARC E. STERN
26 ADMINISTRATIVE LAW JUDGE
27
28

1 Copies of the foregoing mailed/delivered
2 this 7th day of December, 2010 to:

3 Jere Parkhurst
4 Michelle Parkhurst
5 C-STREET FINANCIAL GROUP, et al.
6 P.O. Box 45509
7 Phoenix, AZ 85064-5509

8 Matt Neubert, Director
9 Securities Division
10 ARIZONA CORPORATION COMMISSION
11 1300 West Washington Street
12 Phoenix, AZ 85007

13 ARIZONA REPORTING SERVICE, INC.
14 2200 North Central Avenue, Suite 502
15 Phoenix, AZ 85004-1481

16 By:

17 
18 Debra Broyles
19 Secretary to Marc E. Stern
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